

Women's Labor Force Participation

A significant social and economic trend, that began shortly after World War II, is the increase in the percentage of women in the labor force. Between 1975 and 1990, the labor force participation rate for women grew but did so at a gradually slowing pace. The rate changed very little from 1990 to 1993, but it resumed its upward trend in 1994. And it was mothers who accounted for most of this rise. This study presents data collected each March by the Current Population Survey (CPS). A nationwide survey of about 50,000 households, the CPS is conducted each month for the Bureau of Labor Statistics by the Bureau of the Census. The survey collects information on the demographic characteristics and employment status of the population.

Although women's labor force participation rate rose from 46 percent in 1975 to 59 percent in 1996, its pace was unsteady. Between 1975 and 1980, the rate increased an average of 1 percent each year. Between 1980 and 1985, the average yearly gain fell to 0.7 percentage point. The gain was slower between 1985 and 1990, averaging 0.5 percentage point each year. The rate stayed the same between 1990 and 1993 but started rising again in 1994.

Presence and Age of Children

Women with children accounted for most of the increase in women's labor force participation. The rate for mothers whose youngest child was 6 to 17 years old rose from 55 percent in 1975 to 77 percent in 1996, a 22-point gain. The rate for mothers whose children were under age 6 rose from 39 to 62 percent,

a 23-point gain. However, the participation rate for women with no children under age 18 rose by only 8 points: 45 to 53 percent. Most of these women are under age 25 or are 55 years or over—two age groups with relatively low participation rates that have not fluctuated much in recent years. For all of these groups, most of the gains occurred in the late 1970's and early 1980's.

The labor force participation rate for mothers of children under 1 year of age has grown in recent years, from 50 percent in 1990 to 55 percent in 1996. Full-time homemaking was considered the norm in earlier generations. Now, labor force participation is an integral part of many women's lives. Most of today's mothers of infants established their career before giving birth to their newest child.

Age of Women Workers

Labor force participation of women differs by age. Data are presented for 16- to 24-year-olds, 25- to 44-year-olds, and 45- to 54-year-olds. Older women are excluded because there has been little change in the participation rate for women aged 55 and older.

The participation rate for women 16 to 24 years old peaked at 62 percent between 1975 and 1987, declined to 59 percent by 1993, and has exhibited no clear direction since then. The decline can be attributed to two factors: the sensitivity of labor force participation of teenagers to the business cycle and a growing trend among women in this age group to stay in school. The 1990-91 recession was responsible for a period of slow employment growth—this had a negative effect on teen participation rates. The percentage of females who were enrolled in school rose from 61 percent in 1990

to 67 percent in 1996 for teens and 23 to 29 percent for 20- to 24-year-olds. Young people enrolled in school are less likely to be in the labor force than are young people who are not in school. Women aged 16 to 24 who were in school had a labor force participation rate of 50 percent in 1996, compared with 72 percent for those not enrolled in school.

The labor force participation rate for women aged 25 to 44 grew rapidly between 1975 and 1985—from 55 percent to 71 percent—and slowed after that, reaching 76 percent in 1996. The increase was led by mothers of children under age 18. The rate for these mothers climbed from 49 percent in 1975 to 65 percent in 1985 and reached 71 percent by 1996. Although more of the women in this age group with no children under

age 18 were in the labor force, compared with mothers, their participation rate gains were smaller, moving from 77 percent in 1975 to 85 percent in 1985. It remained unchanged thereafter. The gap between the participation rate of mothers and that of women with no children under age 18 narrowed sharply, from a 29-percentage point difference in 1975 to a 13-point difference by 1996.

Growth in the participation rate for women aged 45 to 54 followed a different trend. Their rate grew from 55 percent in 1975 to 66 percent in 1985. However, their participation rate continued to grow, reaching 75 percent by 1996. About one-fourth of these women had children under age 18, and their participation rate increased rapidly: from 49 percent in 1975 to 60 percent in 1985. It rose to 76 percent by 1996. For those with no

children under age 18, the growth in labor force participation rate was slower: rising from 59 to 68 percent over the 1975-85 period and to 75 percent by 1996. The gap in the participation rate between the mothers and the women with no children under age 18 narrowed from an 11-percentage point difference in 1975 to a rate that was nearly identical in 1996.

The overall trend in the labor force participation rate of women points toward continuing growth, particularly for women with children. The gains have been slower and more sporadic, however, than they were two decades ago.

Source: Hayghe, H.V., 1997, Developments in women's labor force participation, *Monthly Labor Review* 120(9):41-46.